



***United States Attorney***  
***Southern District of New York***

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**U.S. EXPANDS FRAUD AND CORRUPTION CHARGES**  
**IN NEW INDICTMENT AGAINST STONY POINT TOWN SUPERVISOR**

JAMES B. COMEY, the United States Attorney for the Southern District of New York and KEVIN P. DONOVAN, the Assistant Director In Charge, Federal Bureau of Investigation announced today that a federal grand jury in White Plains returned a superseding seven-count Indictment, adding new fraud charges to the bribery and embezzlement charges already pending against STEVEN M. HURLEY, the Town Supervisor of Stony Point, New York.

The superseding Indictment also accuses a second defendant, ABRAHAM GOLDBERGER, a real estate developer who had various projects in Stony Point, of joining HURLEY in conspiracies to commit bank fraud and to engage in a fraud scheme to deprive the residents of Stony Point of the honest services of their elected Town Supervisor.

According to the superseding Indictment, HURLEY has used his position to enrich himself through various schemes since 1999. It is alleged that on several occasions, HURLEY received payments

from GOLDBERGER - sometimes taking delivery while sitting in his parked car outside Town Hall, once taking a \$1000 payment that was disguised as a campaign contribution, and once scheming with GOLDBERGER to have \$4785 in Town funds paid on the basis of a fraudulent voucher.

In connection with that last payment, the Indictment charges that, in December 2000, GOLDBERGER created a phony bill, falsely indicating that work - specifically, the boarding up of buildings at Letchworth Village in Stony Point - had been performed for the Town by a contractor (referred to in the Indictment as Contractor No. 2). GOLDBERGER is then alleged to have caused a Town voucher to be created based on the bill, and to have had that voucher sent to HURLEY. After the Town issued a check payable to Contractor No. 2, the Indictment charges that GOLDBERGER fraudulently endorsed it and deposited it in a bank account he controlled. Shortly thereafter, it is alleged that HURLEY came to GOLDBERGER's office in Nanuet, New York, where HURLEY received an envelope containing a cash pay-off.

The superseding Indictment alleges that Contractor No. 2 never actually performed the work. Nevertheless, according to the charges filed today, in 2003, after he learned that an investigation of HURLEY was under way, GOLDBERGER attempted to persuade Contractor 2 to lie to government agents by telling them that he (Contractor 2) had performed the work described in the

phony bill and voucher.

The superseding Indictment also charges HURLEY with defrauding his election campaign in 1999. It is alleged that HURLEY caused a check, drawn on the campaign funds maintained in the "Friends of Steven Hurley" account, to be signed by a campaign officer with the spaces for the check amount and the payee left blank. HURLEY then allegedly caused the check to be made payable to the Bank of New York, in the amount of \$1569.35, which sum was used to purchase two money orders. The Indictment further charges that those money orders were sent to an establishment called Pirate Land in South Carolina, where HURLEY later took a family vacation.

Subsequently, according to the superseding Indictment, HURLEY directed a campaign officer to falsify the forms submitted to the Rockland County Board of Elections, and to alter other campaign records in order to conceal the fact that he had used campaign funds for a personal pleasure trip.

The new charges in the superseding Indictment supplement those contained in the original Indictment, which the grand jury returned on March 4, 2003 - shortly after HURLEY's February 10, 2003, arrest. Those charges related to a fraud scheme arising out of the Town's multimillion-dollar development of a golf course. The initial charges, which remain part of the superseding Indictment, allege that a contractor (identified in the superseding Indictment as Contractor No. 3) was owed more than \$240,000 for

work on the golf course and other related items, including a road adjacent to the golf course, for which the contractor had made several unsuccessful efforts to be paid.

The Indictment charges that, on February 6, 2003, HURLEY invited Contractor No. 3 to HURLEY's Town Hall office and proposed a scheme which called for the contractor to submit three bills rather than two for work that had actually been completed on the golf course and an adjacent road. The third bill was to be a double-billing (for approximately \$8,500 of work on the road that would already have been accounted for in the second bill, which included the same work), and was ostensibly to be for payment to Contractor No. 3 personally, rather than to Contractor No. 3's company. In reality, it is alleged, HURLEY instructed Contractor No. 3 to cash the check issued for this third bill and return the cash to HURLEY.

The Indictment charges that Contractor No. 3, pursuant to HURLEY's instructions, met HURLEY in the early afternoon of February 10 at a location in Town away from HURLEY's Town Hall office. There, it is alleged that Contractor No. 3 paid HURLEY \$8,574.86 in cash. According to the Indictment, HURLEY had the cash in his car when he was approached by law enforcement agents shortly afterwards.

The superseding Indictment charges both HURLEY and GOLDBERGER in Count One with conspiring to deprive the people of

Stony Point of their right to the honest services of their elected Town Supervisor. Counts Two and Three charge both defendants with conspiring, and committing, bank fraud in connection with the \$4785 Town check issued on the basis of the afore-described fraudulent voucher. Counts Four and Five charge HURLEY alone, in connection with the golf course transaction, with soliciting and accepting a bribe (Count Four), and with embezzlement and intentionally misapplying Town funds (Count Five). Count Six charges HURLEY alone with mail fraud in connection with the alleged scheme to defraud his election campaign. Count Seven charges GOLDBERGER alone with obstructing justice by attempting to persuade a witness to lie regarding the alleged bank fraud scheme.

If convicted, HURLEY faces a maximum 65 years in prison and fines into the millions of dollars. GOLDBERGER faces a maximum of 50 years in prison and similar fines.

The case is assigned to United States District Judge BARBARA S. JONES. There is, as yet, no arraignment date set for HURLEY and GOLDBERGER on the superseding Indictment.

Mr. COMEY praised the cooperative efforts of the FBI and the Office of Rockland County District Attorney MICHAEL E. BONGIORNO. Mr. COMEY added that the corruption investigation is continuing.

ANDREW C. McCARTHY, the Chief Assistant United States Attorney for the White Plains Division, and Assistant United States Attorney STEPHEN J. RITCHIN are in charge of the prosecution.

The charges in the Indictment are merely accusations, and the defendants are presumed innocent until and unless proven guilty.

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